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INTERSTATE COMMERCE COMMISSION  
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INTERSTATE COMMERCE COMMISSION

September 29, 1989

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INTERSTATE COMMERCE COMMISSION

Ms. Noreta R. McGee  
Secretary  
Interstate Commerce Commission  
Washington, DC

Re: Lease of Locomotives from NBB Reading Lease  
Co., Ltd. to Consolidated Rail Corporation

Dear Ms. McGee:

Enclosed are an original and two originally  
executed counterparts of the primary document and the two  
secondary documents described below to be recorded pursuant  
to Section 11303, Title 49, of the United States Code.

The enclosed primary document is:

Lease Agreement dated September 29, 1989  
between NBB Reading Lease Co., Ltd., as  
lessor, and Consolidated Rail Corporation, as  
lessee.

The enclosed secondary documents are:

- (1) Lease Supplement No. 1 dated September 29, 1989 between NBB Reading Lease Co., Ltd., as lessor, and Consolidated Rail Corporation, as lessee. The primary document to which this is connected is being submitted for recording concurrently herewith.

*Handwritten signature: Peter Laban*

MORGAN, LEWIS & BOCKIUS

Ms. Noreta R. McGee  
September 29, 1989  
Page 2

- (2) Assignment Agreement dated September 29, 1989 between Consolidated Rail Corporation, as assignor, and NBB Reading Lease Co., Ltd., as assignee. The primary document to which this is connected is being submitted for recording concurrently herewith.

The names and addresses of the parties to the documents are as follows:

Lease Agreement

Lessor:  
NBB Reading Lease Co., Ltd.  
1-12-11 Nihonbashi, Chuo-ku  
Tokyo 103, Japan

Lessee:  
Consolidated Rail Corporation  
6 Penn Center Plaza, Room 1310  
Philadelphia, PA 19103

Lease Supplement

Lessor:  
NBB Reading Lease Co., Ltd.  
1-12-11 Nihonbashi, Chuo-ku  
Tokyo 103, Japan

Lessee:  
Consolidated Rail Corporation  
6 Penn Center Plaza, Room 1310  
Philadelphia, PA 19103

Assignment Agreement

Assignor:  
Consolidated Rail Corporation  
6 Penn Center Plaza, Room 1310  
Philadelphia, PA 19103

MORGAN, LEWIS & BOCKIUS

Ms. Noreta R. McGee  
September 29, 1989  
Page 3

Assignee:  
NBB Reading Lease Co., Ltd.  
1-12-11 Nihonbashi, Chuo-ku  
Tokyo 103, Japan

The description of the equipment covered by all three (3) of these documents is as follows:

Nineteen (19) General Motors GMC-EMD SD-60 diesel electric locomotives each marked on the sides in letters not less than one inch in height with the words "Ownership Subject to Documents Filed with the Interstate Commerce Commission" and bearing a nameplate with the legible inscription 'TITLE TO THIS LOCOMOTIVE IS HELD BY NBB READING LEASE CO., LTD., THE LESSOR, WHICH HAS LEASED THIS LOCOMOTIVE TO CONSOLIDATED RAIL CORPORATION" and bearing the road numbers 6848 and 6850 through 6867 inclusive.

A fee of Thirteen Dollars (\$13.00) is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to:

Kathryn A. Kapusta, Esquire  
Morgan, Lewis & Bockius  
2000 One Logan Square  
Philadelphia, PA 19103

A short summary of each of the documents to appear in the index follows:

- 1) Lease Agreement:  
Lease Agreement between NBB Reading Lease Co., Ltd., lessor, a corporation formed under the laws of Japan and having its principal office at 1-12-11 Nihonbashi, Chuo-ku, Tokyo 103, Japan and Consolidated Rail Corporation, as lessee, 6 Penn Center Plaza, Philadelphia, Pennsylvania, 19103, dated as of September 29, 1989, covering nineteen (19) General Motors

MORGAN, LEWIS & BOCKIUS

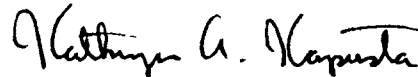
Ms. Noreta R. McGee  
September 29, 1989  
Page 4

EMC-EMD SD-60 diesel electric locomotives bearing road numbers 6848 and 6850 through 6867 inclusive.

- 2) Lease Supplement No. 1:  
Lease Supplement No. 1 between NBB Reading Lease Co., Ltd., lessor, a corporation formed under the laws of Japan and having its principal office at 1-12-11 Nihonbashi, Chuo-ku, Tokyo 103, Japan and Consolidated Rail Corporation, as lessee, 6 Penn Center Plaza, Philadelphia, Pennsylvania, 10193, dated as of September 29, 1989, covering nineteen (19) General Motors EMC-EMD SD-60 diesel electric locomotives bearing road numbers 6848 and 6850 through 6867 inclusive.
- 3) Assignment Agreement:  
Assignment between Consolidated Rail Corporation, as assignor, 6 Penn Center Plaza, Philadelphia, Pennsylvania, 10193 and NBB Reading Lease Co., Ltd., assignee, 1-12-11 Nihonbashi, Chuo-ku, Tokyo 103, Japan dated as of September 29, 1989 relating to the purchase of nineteen (19) General Motors EMC-EMD SD-60 diesel electric locomotives bearing road numbers 6848 and 6850 through 6867 inclusive.

If you have any questions, please do not hesitate to call the undersigned.

Sincerely yours,



Kathryn A. Kapusta

Enclosures

16553  
RECORDATION NO. \_\_\_\_\_ FILED 1425

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[EXECUTION COPY]

**INTERSTATE COMMERCE COMMISSION**

LEASE SUPPLEMENT NO. 1, dated September 29, 1989, between NBB READING LEASE CO., LTD., a corporation formed under the laws of Japan ("Lessor") and CONSOLIDATED RAIL CORPORATION, a Pennsylvania corporation ("Lessee").

W I T N E S S E T H:

WHEREAS, Lessor and Lessee have heretofore entered into that certain Lease Agreement, dated as of September 29, 1989 (herein called the "Lease Agreement"). All capitalized terms used herein without definition shall have the meanings specified in Appendix A to the Lease. The Lease Agreement provides for the execution and delivery from time to time of Lease Supplements, each substantially in the form hereof for the purpose of leasing specific Items of Equipment under the Lease Agreement as and when delivered by Lessor to Lessee in accordance with the terms thereof.

WHEREAS, the Lease Agreement relates to the Items of Equipment described below, a counterpart of the Lease Agreement is attached hereto and made a part hereof and this Lease Supplement, together with such attachment, is being filed for recordation on the date hereof with the Interstate Commerce Commission as one document.

NOW THEREFORE, in consideration of the premises and other good and sufficient consideration, Lessor and Lessee hereby agree as follows:

1. Lessor hereby delivers and leases to Lessee under the Lease Agreement, and Lessee hereby accepts and leases from Lessor under the Lease Agreement nineteen General Motors GMC-EMD SD-60 Diesel Electric Locomotives bearing Lessee's road numbers 6848 and 6850 through 6867 inclusive.

2. The Delivery Date of the Items of Equipment is the date of this Lease Supplement set forth in the opening paragraph hereof.

3. The Lessor's Cost for each Item of Equipment is \$1,295,818 and the aggregate Lessor's Cost for all of the Items of Equipment is \$24,620,542.

4. The Term for the Items of Equipment shall commence on the Delivery Date and shall end on the Lease Expiry Date.

5. Lessee hereby confirms to Lessor that the Items of Equipment shall, as soon as practicable, be duly marked in accordance with the terms of Section 7(f) of the Lease Agreement and that Lessee has accepted the Items of Equipment for all purposes hereof and of the Lease Agreement as being (i) in good working order and repair and without defect or inherent vice in title, condition, design, workmanship, operation or fitness for use whether or not discoverable by Lessee as of the date hereof, (ii) fully equipped to operate in commercial freight rail business in the United States and Canada and (iii) free and clear of all Liens except Permitted Liens; provided, however, that nothing contained herein or in the Lease Agreement shall in any way diminish or otherwise affect any right Lessee or Lessor may have with respect to the Items of Equipment against the Manufacturer, or any subcontractor or supplier of the Manufacturer, under the Purchase Agreement or otherwise.

6. Lessee hereby confirms its agreement to pay, or make provision for payment to, Lessor, in accordance with the terms of Sections 3 and 21 of the Lease Agreement, Rent for the Items of Equipment throughout the Term therefor in accordance with Sections 3 and 21 of the Lease Agreement.

7. All of the terms and provisions of the Lease Agreement are hereby incorporated by reference in this Lease Supplement to the same extent as if fully set forth herein.

8. This Lease Supplement may be executed in any number of counterparts (and each of the parties hereto shall not be required to execute the same counterpart). Each counterpart of this Lease Supplement, including a signature page executed by each of the parties hereto, shall be an original counterpart of this Lease Supplement, but all of such counterparts together shall constitute one instrument.

9. THIS LEASE SUPPLEMENT HAS BEEN DELIVERED IN PHILADELPHIA, PENNSYLVANIA. IT SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF JAPAN, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Lease Supplement to be duly executed as of the day and year first above written.

LESSOR

NBB READING LEASE CO., LTD.

By:   
Title: Attorney-in-fact

LESSEE

CONSOLIDATED RAIL CORPORATION

By:   
Title: Manager - Financing

STATE OF PENNSYLVANIA :

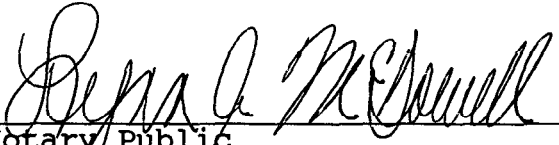
SS

COUNTY OF PHILADELPHIA :

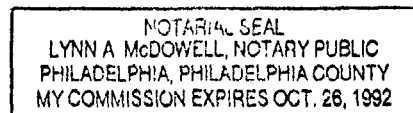
On this, the 29th day of September, 1989, before me, a notary public, the undersigned officer, personally appeared Leonard B. Shavel, who acknowledged himself to be the Attorney-in-fact of NBB Reading Lease Co., Ltd. corporation, and that he, as such Attorney-in-fact, being duly empowered and authorized to do so, executed the within instrument for the purposes therein contained, by signing his name as such Attorney-in-fact.

In witness whereof, I hereunto set my hand and official seal.

(NOTARIAL SEAL)

  
Notary Public

My Commission Expires:



Member Pennsylvania Association of Notaries

STATE OF PENNSYLVANIA :  
COUNTY OF PHILADELPHIA : SS

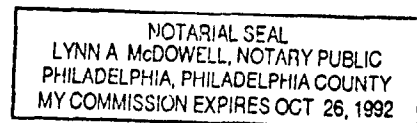
On this, the 29th day of September, 1989, before me, a notary public, the undersigned officer, personally appeared Thomas J. McFadden, who acknowledged himself to be the Manager-Financing of Consolidated Rail Company, a corporation, and that he, as such Manager-Financing, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as Manager-Financing.

In witness whereof, I hereunto set my hand and official seal.

(NOTARIAL SEAL)

  
Notary Public

My Commission Expires:



Member, Pennsylvania Association of Notaries

SCHEDULE E  
TO  
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PURCHASE PRICE

The Purchase Price or the Deficiency Payment per Item of Equipment payable pursuant to Section 19 of the Lease shall be (a) the amount of U.S. Dollars 64,760 plus (b) the amount of Yen equal to U.S. Dollars 64,821 converted into Yen at the Specified Exchange Rate. Lessee may make provision for the payment of the U.S. Dollar portion or the Yen portion, or both, of such amount by causing the delivery by a Permitted Obligor of a Confirmation in the form of Exhibit F-1 to the Participation Agreement in the case of the U.S. Dollar portion or in the form of Exhibit F-2 to the Participation Agreement in the case of the Yen portion, or both, as may be necessary, in any case as provided in Section 21(b) of the Lease.